



*Financial Activity Statement for
the Period Ended
29 February 2008*

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Financial Activity Statement for the period ended 29th February 2008

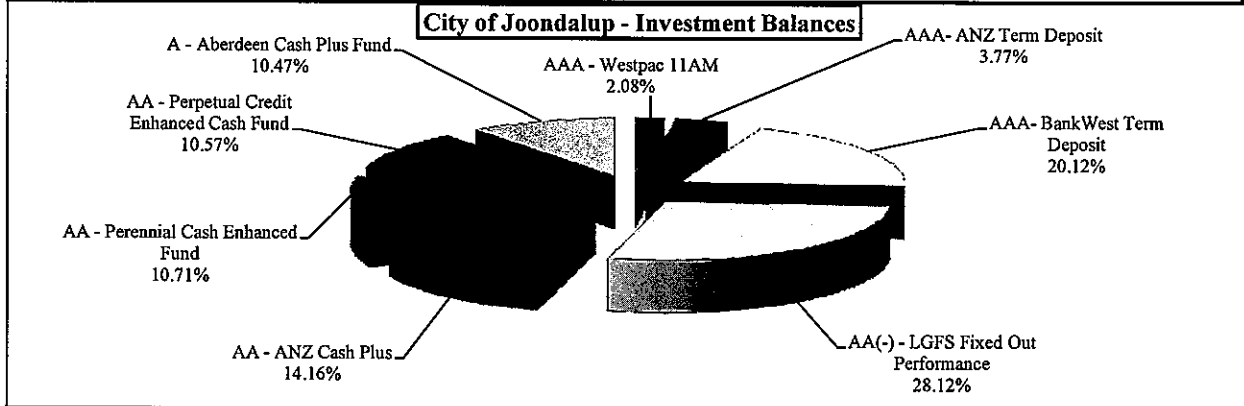
	Notes	Adopted Budget	YTD Budget	YTD Actual	YTD Variance	YTD Variance %
		\$	\$	\$	\$	%
OPERATING REVENUE						
Rates		(56,310,787)	(56,225,287)	(56,329,507)	104,220	(0)
Rates Specified Area		(141,353)	(141,353)	(144,517)	3,164	(2)
Government Grants and Subsidies		(3,364,026)	(2,571,870)	(2,597,303)	25,433	(1)
Contributions, Reimbursements & Donations	1	(668,646)	(461,258)	(671,192)	209,934	(46)
Profit on Disposal	2	(797,244)	(712,430)	(151,119)	(561,311)	79
Fees & Charges		(20,925,240)	(17,956,399)	(18,137,057)	180,658	(1)
Interest Earnings		(3,258,557)	(2,326,647)	(2,352,976)	26,329	(1)
Other Revenue		(115,000)	(72,500)	(59,860)	(12,640)	17
Total Operating Revenue		(85,580,853)	(80,467,744)	(80,443,531)	(24,213)	0
OPERATING EXPENSES						
Employee Costs		35,622,498	23,641,684	23,502,399	139,285	1
Materials & Contracts	3	30,516,132	20,522,102	17,350,675	3,171,427	15
Utilities	4	3,409,028	2,275,151	2,050,092	225,059	10
Depreciation on Assets		16,310,047	10,926,760	11,157,940	(231,180)	(2)
Loss on Disposal		254,756	91,495	50,857	40,638	44
Insurance Expenses		1,049,495	1,018,354	990,086	28,268	3
Interest Expenses		297,910	187,021	159,550	27,471	15
Other Expenses		66,000	66,000	66,279	(279)	(0)
Total Operating Expenditure		87,525,866	58,728,567	55,327,878	3,400,689	6
					0	0
(SURPLUS)/DEFICIT FROM OPERATIONS		1,945,013	(21,739,177)	(25,115,653)	3,376,476	(16)
CAPITAL REVENUE						
Capital Grants		(11,604,574)	(3,776,833)	(3,668,584)	(108,249)	3
Contributions & Reimbursements	5	(143,158)	(143,158)	0	(143,158)	100
Acquired Infrastructure Assets		(5,190,000)	0	0	0	0
Total Capital Revenue		(16,937,732)	(3,919,991)	(3,668,584)	(251,407)	6
CAPITAL EXPENDITURE						
Capital Budget - Capital Projects	6	15,252,775	7,336,072	3,784,714	3,551,358	48
Capital Budget - Capital Works	7	23,876,959	5,271,258	3,515,622	1,755,636	33
Motor Vehicle Replacement	8	2,490,500	1,171,000	714,858	456,142	39
Loan Repayment (Principal)	9	606,879	350,967	244,573	106,394	30
Equity Investment		0	0	0	0	0
Total Capital Expenditure		42,227,113	14,129,297	8,259,767	5,869,530	42
CAPITAL (SURPLUS)/DEFICIT		25,289,381	10,209,306	4,591,183	5,618,123	55
(SURPLUS)/DEFICIT FROM OPERATIONS AND CAPITAL EXPENDITURE		27,234,394	(11,529,871)	(20,524,470)	8,994,599	(78)
ADJUSTMENTS FOR NON-CASH MOVEMENTS						
Depreciation on Assets		(16,310,047)	(10,926,760)	(11,157,940)	231,180	(2)
Loss on Disposal		(254,756)	(91,495)	(50,857)	(40,638)	44
Profit on Disposal	2	797,242	712,430	151,119	561,311	79
FUNDING						
Proceeds from Disposal	2	(1,398,326)	(907,326)	(440,337)	(466,989)	51
Loan Funds	10	(4,000,000)	(4,000,000)	0	(4,000,000)	100
Transfer from Reserve		(14,563,910)	0	0	0	0
Transfer to Reserve		9,247,653	0	0	0	0
Transfer to Accumulated Surplus		5,190,000	0	0	0	0
Opening Funds		(5,980,367)	(5,980,367)	(7,927,237)	1,946,870	(33)
CLOSING FUNDS	11	(38,117)	(32,723,389)	(39,949,722)	7,226,333	(22)



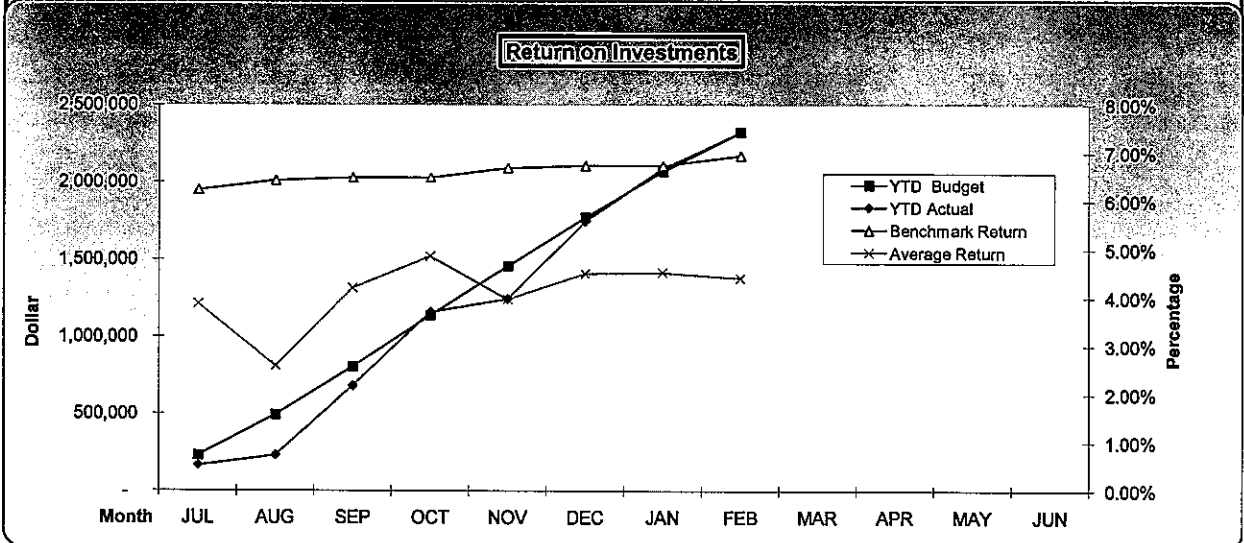
Investment Summary

CITY OF JOONDALUP
February-08

Investment Account	MTD Return	YTD Return	Value \$	% of Portfolio	Policy Limit
AAA - Westpac Bank Accepted Bills	0.00%	6.81%	-	0.00%	50%
AAA - Westpac 11AM	6.89%	6.46%	1,656,366	2.08%	50%
AAA- ANZ Term Deposit	7.19%	7.02%	3,000,000	3.77%	50%
AAA- BankWest Term Deposit	7.28%	7.28%	16,000,000	20.12%	50%
AA(-) - LGFS Fixed Out Performance	7.28%	7.30%	22,359,992	28.12%	50%
AA - ANZ Cash Plus	0.72%	3.80%	11,257,520	14.16%	50%
AA - Perennial Cash Enhanced Fund	-2.35%	3.28%	8,513,684	10.71%	50%
AA - Perpetual Credit Enhanced Cash Fund	1.23%	3.27%	8,401,769	10.57%	50%
A - Aberdeen Cash Plus Fund	-4.61%	1.90%	8,325,782	10.47%	40%
A- Black Rock Diversified Credit Fund	0.00%	-2.75%	-	0.00%	40%
Total Investment Portfolio	2.36%	4.41%	79,515,113	100.00%	
Municipal Funds			58,139,729		
Reserve Funds			21,375,384		
			79,515,113		



Month	MTD Budget	YTD Budget	MTD Actual	YTD Actual	Benchmark Return	Average Return
JUL	234,206	234,206	167,019	167,019	6.25%	3.88%
AUG	264,234	498,440	65,108	232,127	6.44%	2.59%
SEP	309,808	808,248	450,844	682,970	6.50%	4.21%
OCT	332,657	1,140,905	478,031	1,161,002	6.50%	4.87%
NOV	318,322	1,459,227	85,004	1,246,006	6.70%	3.98%
DEC	315,187	1,774,414	503,789	1,749,795	6.75%	4.51%
JAN	298,317	2,072,731	339,281	2,089,076	6.75%	4.53%
FEB	254,128	2,326,859	236,164	2,325,240	6.96%	4.41%



**NOTES TO AND FORMING PART OF THE FINANCIAL ACTIVITY STATEMENT
FOR THE PERIOD ENDED ON 29 FEBRUARY 2008**

1 Contributions, Reimbursements & Donations

The year to date variance for Contributions, Reimbursements and Donations relates to the following:

a) Legal Fees	\$64k
b) Rates	\$47k
c) Utility Charges	\$40k
d) Discounts Received	\$(25)k
e) Reinstatement of Works	\$(18)k
f) Miscellaneous Reimbursements	\$102k
	<u>\$210k</u>

a) The year to date variance on Legal Fee Reimbursements is mainly due to \$61k invoiced to the Mullaloo Progress Association claiming the recovery of Supreme Court Costs, plus other minor variances.

b) The variance on Rates Reimbursements of \$47k relates to the recharging of prior years rates from Wanneroo Council for Tamala Park to Mindarie Regional Council. (Please see Note 3a below)

c) The Utility Charges variance is over budget mainly due to \$27k invoiced to Silver Chain Nursing Association for the previous year, additional services recharged to the Joondalup Reception Centre and increases in the area leased by Community Vision.

d) Early payment discount is below budget as the volume of business with a major service provider who offers the discount is significantly reduced.

e) Reinstatement of Works revenue is below that budgeted with less work being done for external stakeholders due to present levels of planned maintenance work.

f) Unbudgeted amounts were received from the LGIS Liability, Workcare and Property Self Insurance schemes. A bonus dividend payment of \$57k was received based on claims experience of member Councils. An amount of \$57k was received in respect of the close out adjustment for the 2001/02 Workers Compensation claim year and a further \$22k was received to adjust the 2006/2007 Workers Compensation claim year. Generally other reimbursements are behind budget for the year.

2 Profit on Disposal

The year to date variance is due mainly to the budgeted profit of (\$510k) for the sale of land at Edinburgh Avenue, Kinross that has been delayed due to ongoing contract negotiations, however this is now anticipated to complete in April. Profit on the disposal

of other assets is \$(113)k behind budget due to the delay in asset replacement and is forecast to be on budget for the financial year. This has been partially offset by unbudgeted profit of \$62k for a Mitsubishi Grader that was sold as no longer required.

3 Materials and Contracts

The details of the under expenditure in materials and contract costs are as follows: -

a) Accommodation & Property	\$(86)k
b) Administration	\$536k
c) Finance Related Costs	\$68k
d) Public Relations & Corporate Expenditure	\$51k
e) Consultancy & Contractors	\$390k
f) Computing	\$114k
g) Contributions and Donations	\$(235)k
h) Equipment	\$268k
i) Materials	\$1306k
j) Travel, Vehicles & Plant	\$224k
k) Land & Buildings Expenditure	\$144k
l) Service Charges From Other Councils	\$622k
m) Capital Recovery	\$(347)k
n) Members Costs	\$60k
o) Other - various	\$56k
	<u>\$(3171)k</u>

Year to date variances are attributable to the following:

a) Accommodation and Property includes Rates paid to the City of Wanneroo for Tamala Park \$(85)k, which arose since the budget was adopted, of which \$47k is recoverable from Mindarie Regional Council as reported above.

b) The favourable Administration variance is due to Election Costs of \$271k for which an invoice is expected in March, savings in Printing Costs of \$206k achieved by more use of in house facilities and lower than budgeted costs in Leisure Centre programmes such as Youth Diary. The remaining balance resulted from other minor variances and timing differences in Administration costs including postage and photocopying.

c) The Finance Related Costs variance relates mainly to \$64k on Credit Card Charges as actual expense has come below budget due to repricing and customers using different methods of payments than estimated in the budget.

d) Public Relations & Corporate expenditure is under budget primarily due to the timing of Catering Costs.

e) Consultancy and Contractors costs were \$390k below budget including \$100k for the Landscaping Master Plan. Generally Consultancy work is dependant on the timing of the approval of projects of which a number are still to commence.

- f) The Computing expenditure variance is mainly due to timing differences occurring in the payment of annual software licences and maintenance agreements. A variance of \$(132)k on maintenance agreements is more than offset by the delay in payment of \$235k for software licences, which is expected to be paid in March. Overall the annual actual expenditure will not be materially different to budget.
- g) The Contributions and Donations variance is primarily due to the initial payment for the Arena Community Sport Funding of \$(284)k. This was included in the previous year's budget but was not spent nor budgeted for in the current financial year. There is also a variance due to other contributions being made earlier than budgeted of \$(43)k. Sponsorship, Donations and Community Funding Program expenditure were \$86k below budget but this money is forecast to be expended later in the year.
- h) The primary areas of Equipment under expenditure were for Minor Plant & Equipment Purchases of \$70k for the Waste Management Program, \$39k for Operations Administration, \$30k for new equipment for Elected Members and \$13k spread across various other areas. Computer & Communications Equipment purchases were \$33k below budget in Operations for the replacement Push To Talk phones which are now forecast to be expended later than budgeted. Expenditure was also below budget on Equipment maintenance and repairs of \$55k and Equipment Hire of \$15k spread across various accounts.
- i) The Materials variance is mainly below budget across all operating areas. Building work for various Council and Community buildings is \$266k below budget due to the timing of the budget phasing. Overall expenditure on External Contract Services & Materials Purchases is \$1023k under the budget spread across most locations however this is mainly due to a backlog of the processing of internal allocations to cost objects which will be up to date by March reporting. Overspends have been incurred to date of \$(199)k in Graffiti Control and \$(454k) in Waste Management which is offset by savings in Services Charges from Other Councils. (see I below)
- j) The variance on Vehicles and Plant is mainly due to the charges for December and January Fleet Maintenance not being accrued for, these will be processed in March.
- k) This variance is mainly due to the budgeted work of \$150k for reinstatement costs of the car park retaining wall at Ocean Reef Boat Harbour offset by minor variances of \$(6)k. Reinstatement work is now forecast to be \$50k expended this financial year.
- l) The favourable variance on Service Charges from Other Councils mainly relates to Waste Management Services which results from lower volumes due to alternative recycling facilities being utilised. (see i above)
- m) The Capital Recovery variance is dependant on the progress of Operational and Capital work which is below the YTD budget.

n) This variance is due to various Elected Member costs including Conference & Training expenses and Reimbursements being below budget.

o) Other variances are not material and are spread across various accounts

4 Utilities

This variance includes Electricity charges which are \$212k below budget mainly due to a processing backlog of electricity allocations to various parks which will be up to date by March reporting.

5 Contributions & Reimbursements

The details of the variance are as follows: -

a) Sorrento Surf Club	\$67k
b) Kingsley Reserve Floodlights	\$26k
c) Schools Various	\$50k
	<u>\$143k</u>

Contributions are not going to be received as budgeted for the Sorrento Surf Club and the Kingsley Reserve Floodlights as the projects are to be undertaken by the Clubs themselves. Some revenue is still expected for the Bus embayment at Greenwood Senior High School, however overall is likely to be below budget.

6 Capital Projects

The underspend is due primarily to the following projects: -

	Annual Budget	YTD Budget	Actual	Variance
a) Joondalup Works Depot	\$6200k	\$3720k	\$2796k	\$924k
b) Parking Lot 6 Lawley Court	\$0k	\$0k	\$192k	\$(192)k
c) Joondalup Drive Masterplan	\$192k	\$174k	\$0k	\$174k
d) Ocean Reef Development	\$1200k	\$600k	\$0k	\$600k
e) Fee Paid Car Parking Joondalup CBD	\$1200k	\$1200k	\$0k	\$1200k
f) Website Content Management System	\$50k	\$50k	\$0k	\$50k
g) Document Management	\$320k	\$220k	\$0k	\$220k
h) IT Service Management Systems	\$105k	\$105k	\$0k	\$105k
i) Library Management System	\$309k	\$245k	\$0k	\$245k
j) Corporate Email & Domain Upgrade	\$203k	\$150k	\$13k	\$137k
k) Kingsley Community Facilities	\$259k	\$52k	\$0k	\$52k
l) Woodvale / Kingsley Facility Dev	\$250k	\$50k	\$0k	\$50k
m) New Financial Application System	\$300k	\$0k	\$133k	\$(133)k
n) CCTV Joondalup CBD – City Watch	\$267k	\$57k	\$0k	\$57k
o) Other	\$4398k	\$713k	\$651k	\$62k
	<u>\$15253k</u>	<u>\$7336k</u>	<u>\$3785k</u>	<u>\$3551k</u>

a) The Works Depot variance is due to costs being incurred later than budget and includes savings of \$188k due to an unbudgeted contribution to be received from the Water Corporation.

b) Actual expenditure on Parking Lot 6 Lawley Court relates mainly to Works Infrastructure invoices received in July 07, these relate to the prior year expenditure that was not accrued for.

c) – o) These variances are due to projects being behind schedule or commencing at a later date than budgeted with the exception of costs for the New Financial Application System which have been incurred earlier than budgeted .

7 Capital Works

	Annual Budget	YTD Budget	Actual	Variance
a) Major Building Works	\$1069k	\$464k	\$269k	\$195k
b) Council Works – Car Parks CP1	\$850k	\$0k	\$20k	\$(20)k
c) Road Resurfacing Program	\$3371k	\$1909k	\$964k	\$945k
d) Roads to Recovery Program	\$1868k	\$795k	\$898k	\$(103)
e) Foreshores, Parks and Reserves	\$1,175k	\$434k	\$557k	\$(123)k
f) Drainage	\$415k	\$210k	\$54k	\$156k
g) Streetscape Enhancement	\$921k	\$175k	\$0k	\$175k
h) Traffic Management	\$1359k	\$611k	\$227k	\$384k
i) Footpaths	\$350k	\$95k	\$1k	\$94k
j) Playground Equipment	\$305k	\$0k	\$2k	\$(2)k
k) Roadworks	\$10882k	\$50k	\$83k	\$(33)k
l) Sporting Facilities	\$276k	\$17k	\$0k	\$17k
m) Street Lighting	\$355k	\$0k	\$63k	\$(63)k
n) Other Capital Works	\$681k	\$511k	\$378k	\$133k
	<u>\$23877k</u>	<u>\$5271k</u>	<u>\$3516k</u>	<u>\$1755k</u>

a) The Major Building Works to date includes the Joondalup Civic and Administration Buildings basement modifications and upgrades to the security and lift systems. Work is progressing and is expected to be on budget. Savings against budget of \$78k YTD have been made on the Neil Hawkins Park Toilets project as the work was completed in 2006/07 despite being budgeted to be undertaken this Financial Year.

b) The additional Shenton Ave Car Bays project is progressing but only the design and consulting phase will occur before June 2008

c) The Road Resurfacing work includes a significant amount of work on suburban roads, including Marmion and Whitfords Avenue. Most of the planned work is on schedule; however delays in payments are being experienced due to outstanding paperwork from contractors', resulting in a favourable variance.

- d) A number of scheduled road resurfacing projects were completed under the Roads to Recovery Program, which includes work on Wanneroo Road / King Street in Woodlake Retreat. The programme is well advanced and will be within the overall budget.
- e) Work is progressing earlier than budget on coastal foreshore maintenance, the reticulation renewal program, Ocean Reef Road and various parks, with the forecast spend for the financial year expected to be on budget.
- f) Orders have been placed for materials required for the Drainage projects, some of which have yet to be received, the projects will be on budget and will complete this financial year.
- g) Work on the Streetscape Enhancement projects is behind budget some of which is due to them being tied to the planting season which is later in the financial year.
- h) Traffic Management projects are behind budget with many of them forecast to be on budget at the end of the financial year however some projects will be below budget. These include the Readshaw Road Traffic Management project where cost savings of \$83k were achieved following the completion of the final design and the Boas Avenue – Davidson Roundabout (Black spot) project which was not approved by Main Roads WA therefore \$20K is not required of which \$13K was to be grant funded.
- i) – n) The variances on other Capital Works are mainly due to the timing of the commencement of the projects compared to budget.

8 Motor Vehicle Replacement

This variance is due to orders being placed later than budgeted and increased supplier lead time, however expenditure on the plant replacement programme is forecast to be on budget for the financial year.

9 Loan Repayment (Principal)

This variance is due to new loans not being required as budgeted, see note 10 below.

10 Loan Funds

This variance relates to borrowings of \$(2500)k for the Fee Paying Parking of which only \$1200k is forecast to be required this financial year due to implementation delays and \$(1500)k for the Aquatic Facilities at the Craigie Leisure Centre which is delayed until next year.

11 Closing Funds

	Actual
<u>Current Assets</u>	
Cash Assets	\$79,406k
Rates and Sundry Debtors	\$6,013k
GST Receivable	\$441k
Accrued Income	\$298k
Advances and Prepayments	\$81k
	\$86,239k
<u>Less: Current Liabilities</u>	
Creditors	(\$5,933k)
Provisions	(\$6,088k)
Accrued Expenses	(\$2,896)
Income in Advance	(\$0k)
GST Payable	\$18k
Other- Clearing	(\$56k)
	(\$14,955k)
<u>Less: Restricted Assets</u>	
Reserves	(\$31,367k)
Movement in Long Term Provisions	\$33k
Closing Funds	\$39,950k